Mine Permit Number <u>/</u> / Operator FO	1/635/0	034 Mine I	Name South Date Sent	Farm LMO 10-6-14
onon		FROM		
CONFIDENTIAL MULTIPUL DOC AMENDMENT	BOND (CLOSURE / S	LARGE MAPS	_EXPANDABLE APPROVED NOI
Description			YEA	R-Record Numbe
_NOI _Incom	ning	Outgoing	Internal	Superceded
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TEXT/ 81/2 X 11 M	AP PAG	GES11	X 17 MAPS	_LARGE MAP
MMENTS:				

110060743

Account Number:

Account Name:

UST - OGM - R.A. Johnson Excavating Inc.

Tran #:

19949279

Admin Name:

Raylyn Daniel - UST 801-844-8523

Date:

09/26/2014

This check constitutes payment of the following:

Escrow Disbursements final release of acct #

Paid For:

Amount:

\$20,545.93

110060743

Payee:

R.A. Johnson Excavating Inc. c/o UST 350 N State Street, Ste 180 PO Box 142315 Salt Lake City UT 84114-2315

HARLAND CLARKE M17873 40092654

THIS DOCUMENT CONTAINS A TRUE WATERMARK - HOLD TO LIGHT TO VIEW



110060743

Zions First National Bank Salt Lake City, Utah 801-844-7089

UST - OGM - R.A. Johnson Excavating Inc.

Trust Account

9/26/2014

\$20,545.93*

Twenty Thousand Five Hundred Forty Five Dollars & 93/100

Pay to the Order Of:

R.A. Johnson Excavating Inc. c/o UST 350 N State Street, Ste 180 PO Box 142315 Salt Lake City UT 84114-2315



All-

FORM MR-RC (LMO) Revised August 9, 2006 RECLAMATION CONTRACT Mine Name: South Farm*

Other Agency File Number: none

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION of OIL, GAS and MINING
1594 West North Temple, Suite 1210
Box 145801
Salt Lake City, Utah 84114-5801
(801) 538-5291
Fax: (801) 359-3940

---00000---

LARGE MINE RECLAMATION CONTRACT

This Reclamation Contract (hereinafter referred to as "Contract") is entered into between *R A Johnson Excavating, Inc.* the "Operator" and the Utah State Division of Oil, Gas and Mining ("Division").

WHEREAS, Operator desires to conduct mining operations under Notice of Intention (NOI) File No. <u>M/035/034</u> which has been approved by the Division under the Utah Mined Land Reclamation Act, Sections 40-8-1 et seq., Utah Code Annotated, (2005, as amended) (hereinafter referred to as "Act") and the regulations adopted pursuant to the Act; and

WHEREAS, Operator is obligated to reclaim the land affected by the mining operations in accordance with the Act and regulations, and the Operator is obligated to provide a surety in form and amount approved by the Division or the Board of Oil, Gas and Mining (Board) to assure reclamation of the lands affected by the mining operations.

NOW, THEREFORE, in consideration of the mutual covenants contained herein, the Division and the Operator agree as follows:

- Operator agrees to promptly reclaim in accordance with the Act and regulations, as they may be amended, and in accordance with the mining and reclamation plan (Reclamation Plan) approved by the Division all of the lands affected by the mining operations conducted or to be conducted pursuant to the approved Notice of Intention.
- 2. The Lands Affected by the mining operations and subject to the requirements of the Act and this Contract include:



- A. All surface and subsurface areas affected or to be affected by the mining operations including but not limited to private onsite ways, roads, railroads; land excavations; drill sites and workings; refuse banks or spoil piles; evaporation or settling ponds; stockpiles; leaching dumps; placer areas; tailings ponds or dumps; work, parking, storage, and waste discharge areas, structures, and facilities; and
- B. All mining disturbances regardless of discrepancies in the map and legal description, unless explicitly and clearly identified as EXCLUDED on maps, and legal descriptions included in the approved NOI; provided lands may be excluded only if: (1) they were disturbed by mining operations that ceased prior to July 1, 1977; (2) the lands would be included but have been reclaimed in accordance with an approved notice or reclamation plan; or (3) the lands were disturbed by a prior operation for which there is no surety, no legally responsible entity or person, and which lands are not necessarily or incidentally intended to be affected by the mining operations as described in the approved NOI.
- 3. The Reclamation Plan is intended to establish methods, plans, specifications, and other details required by the Act and regulations as they pertain to the lands affected by mining operations, and no provision of the Reclamation Plan shall be interpreted to diminish the requirements of the Act and regulations. The Operator shall be responsible for reclamation of all such Lands Affected regardless of errors or discrepancies in the maps or legal descriptions provided with the NOI or Reclamation Plan, which are primarily intended to assist in determining the location of the mining operations, to describe the areas of disturbance, and to assist estimating the amount of surety required.
- 4. The Operator prior to commencement of any mining operations and as a precondition to the rights under the Notice of Intention shall provide a surety in a form permitted by the Act and in an amount sufficient to assure that reclamation of the Lands Affected will be completed as required by the Act. The Surety shall remain in full force and effect according to its terms unless modified by the Division in writing. A copy of the agreement providing for the Surety for the reclamation obligations herein is included as ATTACHMENT A to this Contract.
- If the Surety expressly provides for cancellation or termination for nonrenewal:
 - A. The Operator shall within 60 days following the Division's receipt of notice that the Surety will be terminated or cancelled, provide a replacement Surety sufficient in a form and amount, as required by the Act, to replace the cancelled surety; or

Page <u>2</u> of <u>6</u> Revised 8/9/2006 Form MR-RC

- B. If the Operator fails to provide an acceptable replacement Surety within 60 days of notice of cancellation or termination, the Division may order the Operator to cease further mining activities, and without further notice proceed to draw upon letters of credit, to withdraw any amounts in certificates of deposit or cash and/or other forms of surety, and to otherwise take such action as may be necessary to secure the rights of the Division to perfect its claim on the existing surety for the purpose of fully satisfying all of the reclamation obligations incurred by the Operator prior to the date of termination, and the Division may thereafter require the Operator to begin immediate reclamation of the Lands Affected by the mining operations, and may, if necessary, proceed to take such further actions as may be required for the Division to forfeit the surety for the purpose of reclaiming the Lands Affected.
- 6. The Operator's liability under this Contract shall continue in full force and effect until the Division finds that the Operator has reclaimed the Lands Affected by mining operations in accordance with the Act, the regulations, and the Reclamation Plan, as they may be amended. If the mining operations are modified or for any other reason vary from those described in the approved Notice of Intention, the Operator shall immediately advise the Division, and the Notice of Intention shall be revised and the Surety amount shall be adjusted as necessary.
- 7. If reclamation of a substantial phase or segment of the Lands Affected by the mining operations is completed to the satisfaction of the Division, and the Division finds that such substantial phases or segments are severable from the remainder of the mining area, Operator may request the Division to find that Operator has reclaimed such area. If the Division makes such finding, Operator may make request to the Division for a reduction in the aggregate face amount of the Surety, and the Division may reduce the surety to an amount necessary to complete reclamation of the remaining mining operations as anticipated by the approved Notice of Intention in accordance with the requirements of the Act and regulations, as amended and the Reclamation Plan, as amended. If the Division makes such finding, Operator may make request to the Division for a reduction in the amount of the surety. The Division, or the Board if the surety is in the form of a board contract, may permit such a reduction if it determines that the reduced amount will be adequate to ensure complete reclamation of the lands affected by the mining in accordance with the requirements of the Reclamation Plan, the rules and the Act, as amended.
- 8. Operator may, at any time, submit a request to the Division to substitute surety. The Division may approve such substitution if the substitute surety meets the requirements of the Act and the rules.
- 9. Operator agrees to pay all legally determined public liability and property damage claims resulting from mining operations, to pay all permit fees, to



maintain suitable records, to file all required reports, to permit reasonable inspections, and to fulfill all sundry reporting requirements applicable to the mine as required by the Act and implementing rules.

- 10. Operator agrees to indemnify and hold harmless the State, Board and the Division from any claim, demand, liability, cost, charge, suit, or obligation of whatsoever nature arising from the failure of Operator or Operator's agents and employees, or contractors to comply with this Contract.
- 11. If Operator shall default in the performance of its obligations hereunder, Operator shall be liable for all damages resulting from the breach hereof including all costs, expenses, and reasonable attorney's fees incurred by the Division and/or the Board in the enforcement of this Contract.
- 12. Any breach of a material provision of this Contract by Operator may, at the discretion of the Division, in addition to other remedies available to it, result in an order by the Division requiring the Operator to cease mining operations, and may thereafter result in an Order, subject to an opportunity for notice and hearing before the Board, withdrawing and revoking the Notice of Intention, and requiring immediate reclamation by the Operator of the Lands Affected or forfeiture of the Surety.
- 13. In the event of forfeiture of the Surety, Operator shall be liable for any additional costs in excess of the surety amount that is required to comply with this Contract. Upon completion of the reclamation of all of the Lands Affected, any excess monies resulting from forfeiture of the Surety shall be returned to the rightful claimant.
- 14. The Operator shall notify the Division immediately of any changes in the Operator's registered agent, the Operator's address, form of business, name of business, significant changes in ownership, and other pertinent changes in the information required as part of the Notice of Intention. Notwithstanding this requirement, any changes to the Notice of Intention, and any errors, omissions, or failures to fully or accurately complete or update the information on the Notice of Intention, or the attached maps, shall not affect the validity of this Contract and the rights of the Division to enforce its terms.
- 15. If requested by the Division, the Operator shall execute addendums to this Contract to add or substitute parties, or to reflect changes in the Operator, Surety, and otherwise modify the Contract to reflect changes in the mining operations as requested by the Division. All modifications must be in writing and signed by the parties, and no verbal agreements, or modifications in any of the terms or conditions shall be enforceable.
- 16. This Contract shall be governed and construed in accordance with the laws of the State of Utah.



Each signatory below represents that he/she is authorized to execute this Contract on behalf of the named party, and that the Operator, if not a natural person, is an entity properly organized and in good standing under the laws of the United States and is registered with and authorized to do business in the State of Utah.

OPERATOR:
Operator Name
Authorized Officer (Typed or Printed)
Authorized Officer - Position
Refull I from Oct 317th 12007
Officer s Signature Date
STATE OF Utal
COUNTY OF <u>Salt hake</u>) ss:
On the
Notary Public Residing at Salt Lake UT My Commission Expires: Sold Lake UT Notary Public Sign with Stock Sign w

By JA R B. 12/7/07

STATE OF <u>Utah</u>) ss:

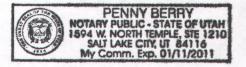
DIVISION OF OIL, GAS AND MINING:

On the 7 day of <u>December</u>, 2007, <u>John R. Baza</u> personally appeared before me, who being duly sworn did say that he, the said <u>John R. Baza</u> is the Director of the Division of Oil, Gas and Mining, Department of Natural Resources, State of Utah, and he duly acknowledged to me that he executed the foregoing document by authority of law on behalf of the State of Utah.

Notary Public

Residing at: Salf Lake

My Commission Expires:



FACT SHEET

Commodity: Landscape Rock

Mine Name: South Farm*

Permit Number: M/035/034

Acreage: 15 (fifteen)

County: Salt Lake

Operator Name: R A Johnson Excavating, Inc.

Operator Address: PO BOX 301 MAGNA UT 84044-0301

Operator Phone: (801) 252-7509 or (801) 301-8897 (cell)

Operator Fax: (801) 252-7518

Operator Email: Johnsonrockpit@msn.com

Contact Name: Robert Johnson

Surety Type: cash

Bank: Zions Bank Escrow

Surety Amount: \$14,620

Account number:

Tax ID (required for cash only):

Escalation year: 2010

Surface Owner: FEE

Mineral Owner: FEE

UTU/ML number: n/a



JON M. HUNTSMAN, JR.

Governor

GARY R. HERBERT Lieutenant Governor MICHAEL R. STYLER
Executive Director

Division of Oil Gas and Mining

JOHN R. BAZA Division Director

November 7, 2007

Robert Johnson R. A. Johnson Excavating, Inc. P. O. Box 301 Magna, Utah 84044-0301

Subject: Request for Additional Bond Amount, R. A. Johnson Excavating, South Farms Mine,

M0350034, Salt Lake County, Utah

Dear Mr. Johnson:

It has been determined that a bond amount of \$19620.00 is required for Large Mine Permit M/035/034. The Division currently holds \$5,000.00 as reclamation surety for the previous South Farm small mine permit S/035/030, which will be applied as surety toward the large mine permit requirement.

The Division received a personal check in the amount of \$10,000.00 as reclamation surety. However, the check cannot be processed due to the fact that it was not sent in the form of certified funds. The Division requires all cash surety to be sent in the form of certified check.

Please have a certified check titled <u>Utah State Treasury for OGM</u> sent to the Division in the amount of \$14,620.00 (\$19620.00 - \$5,000.00). On the certified check, please indicate in the memo portion the following: reclamation surety for M/035/034.

The Division has received a signed reclamation contract and will submit the contract for final signature once the outstanding surety amount is received.

Your immediate attention to completing this required permitting action is required. Please direct communication and correspondence to Mr. Jed Pearson, (801) 538-5382, or jedpearson@utah.gov.

Sincerely,

Susan M. White

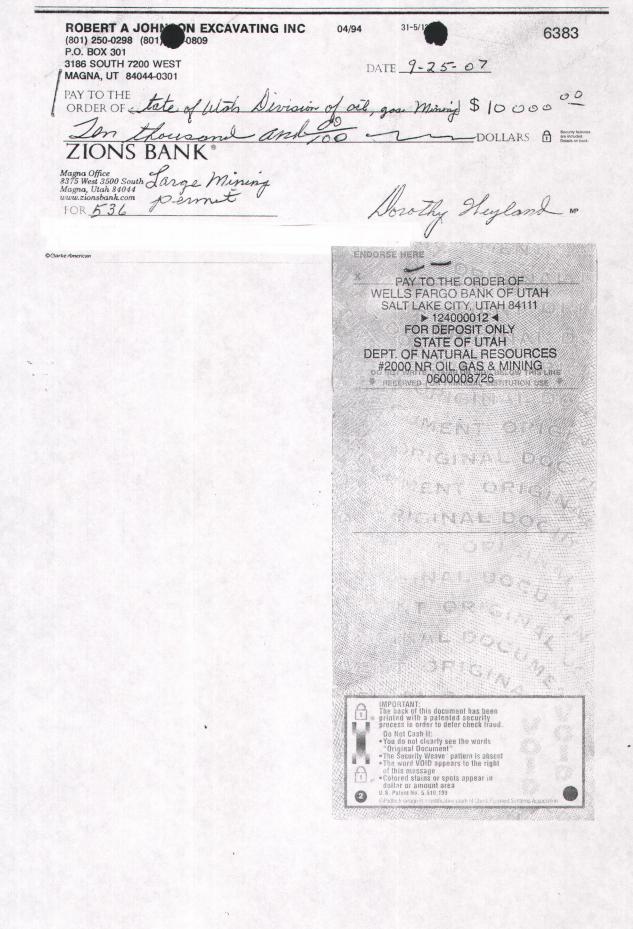
Mining Program Coordinator Minerals Regulatory Program

Juran M. White

:SMW:JP:pb Attachment: Check number 6383 (original) CC: Jed Pearson, DOGM Susan White, DOGM Beth Ericksen, DOGM

P:\GROUPS\MINERALS\WP\M035-SaltLake\M0350034-SouthFarms\final\request for bond2.doc





. mo350034

DOBERT A JOHNSON EXCAVATING INC

1/94

31-5/1240
14

6383

15. BOX 301

3188 SOUTH 7200 WEST

MAGNA, UT 84044-0301

PAY TO THE

ORDER OF Late of Wah Division of oil, gas Mining \$ 10000

Lon thousand and 00

ZIONS BANK

Magna Office
3375 West 3500 South Large Mining
Magna, Utah 84044

www.zionsbank.com

permit

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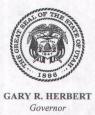
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ORIGINAL CHECK
ROUTED TO ACCOUNTING

SEP 2 7 2007

DIV. OF OIL, GAS & MINING



SPENCER J. COX Lieutenant Governor

MICHAEL R. STYLER Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA Division Director

September 3, 2014

Ann Pedroza State of Utah, Office of State Treasurer E315 State Capitol Complex Post Office Box 142315 Salt Lake City, Utah 84114-2315

Subject:

Authorization for Release of Cash Deposit Held by Utah State Treasurer, RA Johnson

Excavating, Inc., South Farm Small and Large Mine Projects, S/035/0030 and

M/035/0034, Salt Lake County, Utah

Dear Ms. Pedroza:

The Utah State Treasurer is presently holding funds for the benefit of the State of Utah, Division of Oil, Gas and Mining as a form of reclamation surety for the referenced projects. The operator has requested that a portion of the surety be released, and the Division and Herriman City concur with the release as follows:

Operator	Total Principal in Account	Mine Name	Permit Number	Amount to be Released	Amount to Remain in Account	Account Number
RA Johnson Excavating Inc.	\$19,620	South Farm	M/035/0034	\$14,620 plus interest	\$0	
		South Farm	S/035/0030	\$5000 plus interest	\$0	

Please make the check to the operator and submit the funds to the Division.

If you have any questions or require further discussion regarding this letter, please contact Penny Berry, bond coordinator, at 801-538-5291, or by e mail at pennyberry@utah.gov.

Sincerely

Dana Dean, P.E. Associate Director

DD:lah:pb

bthomas@herriman.org

Robert Johnson, R. A. Johnson Excavating





Leslie Heppler < lheppler@utah.gov>

Surety Release Concurrence - South Farms S/035/0030 & M/035/0034

2 messages

Leslie Heppler Iheppler@utah.gov>
To: bthomas@herriman.org

Tue, Aug 26, 2014 at 2:41 PM

Blake -

I have attached a copy of my latest inspection report(s) documenting the South Farms Large Mine permit and the Small Mine permit. OGM, Herriman City and the operator met on site on August 18, 2014, to review the mine site and discuss future development plans by Herriman City. The site has not been reclaimed, but meets an OGM post mining land use. The mine site is under the future footprint of city roadway. I am requesting concurrence for the release of the all the surety for both sites, as listed below:

- S/035/0030 \$5,000
- M/035/0034 \$14,620

Please send your concurrence as a response to this email that the 2 mine sites listed above have a construction bond for a future Herriman city roadway. This email will be attached to the inspection reports and added to the mine files. If you have any questions please call me at 801-538-5257.

Thank you -Leslie Heppler

Utah Division of Oil, Gas & Mining
Office hours - Mon thru Fri 8-5
(801) 538-5340
Leslie Heppler
Iheppler@utah.gov
Direct line (801) 538-5257 (Mon -Thur)

Thank you for reading this electronic correspondence. Please consider the environment before printing.

2 attachments

20140826143443.pdf

20140826143459.pdf 210K

Blake Thomas blake Thomas <a href="mailto:b

To: Leslie Heppler < lheppler@utah.gov>

SEP 0 2 2014

RECEIVED E-Mail

Tue, Sep 2, 2014 at 1:52 PM

Leslie,

Div. of Oil, Gas & Mining

I spoke with a representative of the owner of the property on which the South Farms permittee has done the mining

work. The owner stated that they we no issue with releasing the bonds. The will be working with the developer to finalize plans and begin construction of the roadway in this location in the near future. That being said, I concur for the release of bonds for both sites that are listed in your email below. If you have any questions or concerns please call or email.

Thanks,



Blake Thomas P.E.

City Engineer 13011 S. Pioneer Street Herriman, UT 84096 www.herriman.org

(801) 446-5323 Office (801) 838-9073 Fax bthomas@herriman.org







From: Leslie Heppler heppler@utah.gov
Date: Tuesday, August 26, 2014 at 2:41 PM
To: Blake Thomas heppler@utah.gov

Subject: Surety Release Concurrence - South Farms S/035/0030 & M/035/0034

[Quoted text hidden]

PAY

To The Order Of

Salt Lake City, Utah 84101

ZIONS BANK
Zions First National Bank ***FOURTEEN THOUSAND SIX HUNDRED TWENTY and 00/100*** US Dollars 2014 R. A. JOHNSON EXCAVATING, INC ***UTAH STATE TREASURY FOR DGM*** Drawer: Zions First National Bank

*14,620.00***

0 Freitures Details on Back

61-794891802

November 14, 2007 Amount

90-4314/1220

PAYEE: DETACH THIS STATEMENT BEFORE DEPOSITING CHECK DESCRIPTION

issued by Integrated Payment Systems Inc., Englewood, Colorado Comerica Benk, Los Angeles, CA

61-794891802

For Large Mine Permit M/035/034

ROUTED TO ACCOU ORIGINAL CHE

DW OF OIL, CASE MINING

Cash RECEIPT

MINERALS BOND \$ 14,620

30/07

M/035/034

Number

Permit

I confirm the dollar amount of this check is correct. rishna

Received by

Signature

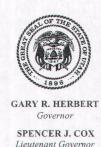
Operator

Leavison

· DM

amount.

PA Johnson Excavating



State of Utah DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER Executive Director

Division of Oil, Gas and Mining JOHN R. BAZA Division Director

December 17, 2013

To:

File

From: Paul Baker, Minerals Program Manager

Subject: Closure of Mine File, R. A. Johnson, South Farms, M/035/0034, Salt Lake County, Utah

On July 3, 2006, the Division received a Notice of Intention to Commence Small Mining Operations (SMO) (S/035/0030) from Robert A. Johnson, and revised SMO was received August 3, 2006 from R. A. Johnson Excavating, Inc. There does not appear to be a letter approving the SMO, but the version received August 3, 2006, was stamped "Approved Aug 31, 2006." The Division received a reclamation contract and a reclamation surety in the amount of \$5000.00. At the time, the Division routinely required a reclamation surety of \$1000.00 per acre for landscape rock operations.

A Notice of Intention to Commence Large Mining Operations (LMO) (M/035/0034) was received November 6, 2006, and the Division sent a letter outlining deficiencies in the LMO on November 27, 2006. The LMO lacked most of the basic information, including required maps, vegetation and soils information, and operation and reclamation plans. A subsequent submittal received January 19, 2007, still lacked much of the information required for an LMO, but the Division never received a response to its deficiency letter. The operator did, however, provide a reclamation surety in the amount of \$14,620.00.

The operator has continued to mine landscape boulders from an area formerly part of Bluffdale which is now within Herriman City. After the boulders are cleared, this land is being developed for residential and other urban uses, such as church, schools, etc.

It would be very difficult to determine the amount of disturbed acreage associated with this operation, but it is almost certainly over five acres and likely over ten. The Division has not pursued enforcement action because the operator has been consistently reclaiming to the uses mentioned above without leaving unreclaimed areas.

The surety associated with the SMO is not adequate for the amount of disturbance the operator has had, so the Division will close the file for the deficient LMO and apply the surety that was provided for this operation toward the SMO.

File for S/035/0030



HOLD DOCUMENT UP TO THE LIGHT TO VIEW TRUE WATERMARK HOLD DOCUMENT UP TO THE LIGHT TO VIEW TRUE WATERMARK OFFICIAL CHECK 61-794891802 2014 R. A. JOHNSON EXCAVATING, INC 014 90-4314/1220

Zions First National Bank Salt Lake City, Utah 84101 Date

14, 2007 November

Amount *14.620.00***

PAY

FOURTEEN THOUSAND SIX HUNDRED TWENTY and 00/100 US Dollars

Security Features Details on Back.

To The Order Of

UTAH STATE TREASURY FOR OGM

Drawer: Zions First National Bank

For Large Mine Permit M/035/034

Issued by Integrated Payment Systems Inc., Englewood, Colorado Comerica Bank, Los Angeles, CA

PAYEE: DETACH THIS STATEMENT BEFORE DEPOSITING CHECK

DESCRIPTION

61-794891802



RECEIVED

NOV 1 4 2007

DIV. OF OIL, GAS & MINING



MACON LOCATE DEPOSITE DESIGNATION OF STATES OF November 14, 2007 61-794891802 Amount *14,620.00*** Drawer: Zions First National Bank ***FOURTEEN THOUSAND SIX HUNDRED TWENTY and OC/100*** US Dollars Date SE CHECK CHECK ***UTAH STATE TREASURY FOR OGM*** 01 2014 R. A. JOHNSON EXCAWATING, INC For Large Mine Permit M/035/034 Issued by Integrated Payment Systems Inc., Englewood, Colorado Comerica Bank, Los Angeles, CA ZIONS BANK
Zionis First National Bank Salt Lake City, Utah 84101 To The Order Of 014 PAY

Security Features Details on Back.

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90-4314/1220

61-794891802

AST NATION

DESCRIPTION

PAYEE DETACH THIS STATEMENT BEFORE DEPOSITING CHECK

CANCEL DESIGNATION OF THE PERSON OF THE PERS

Cash RECEIPT

11 20 OF Date

MINERALS BOND \$ 14,620

and amount. PA Johnson Excavating, Inc. I confirm the dollar amount of this check is correct. Leavison M/035/034 Lristna Received by Signature Operator Number Permit

ROUTED TO ACCOUNTING ORIGINAL CHECK

DIN OF OIL, GAS & MINING



State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

December 17, 2013

To: File

From: Paul Baker, Minerals Program Manager

Subject: Closure of Mine File, R. A. Johnson, South Farms, M/035/0034, Salt Lake County, Utah

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cc: File for S/035/0030 P:\GROUPS\MINERALS\WP\M035-SaltLake\S0350030-SouthFarms\final\memo-closure-12172013.doc



FORM MR-RC (LMO) Revised August 9, 2006 RECLAMATION CONTRACT Mine Name: South Farm*

Other Agency File Number: none

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION of OIL, GAS and MINING
1594 West North Temple, Suite 1210
Box 145801
Salt Lake City, Utah 84114-5801
(801) 538-5291
Fax: (801) 359-3940

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LARGE MINE RECLAMATION CONTRACT

This Reclamation Contract (hereinafter referred to as "Contract") is entered into between <u>R A Johnson Excavating</u>, <u>Inc.</u> the "Operator" and the Utah State Division of Oil, Gas and Mining ("Division").

WHEREAS, Operator desires to conduct mining operations under Notice of Intention (NOI) File No. <u>M/035/034</u> which has been approved by the Division under the Utah Mined Land Reclamation Act, Sections 40-8-1 et seq., Utah Code Annotated, (2005, as amended) (hereinafter referred to as "Act") and the regulations adopted pursuant to the Act; and

WHEREAS, Operator is obligated to reclaim the land affected by the mining operations in accordance with the Act and regulations, and the Operator is obligated to provide a surety in form and amount approved by the Division or the Board of Oil, Gas and Mining (Board) to assure reclamation of the lands affected by the mining operations.

NOW, THEREFORE, in consideration of the mutual covenants contained herein, the Division and the Operator agree as follows:

- Operator agrees to promptly reclaim in accordance with the Act and regulations, as they may be amended, and in accordance with the mining and reclamation plan (Reclamation Plan) approved by the Division all of the lands affected by the mining operations conducted or to be conducted pursuant to the approved Notice of Intention.
- 2. The Lands Affected by the mining operations and subject to the requirements of the Act and this Contract include:



A. All surface and subsurface areas affected or to be affected by the mining operations including but not limited to private onsite ways, roads, railroads; land excavations; drill sites and workings; refuse banks or spoil piles; evaporation or settling ponds; stockpiles; leaching dumps; placer areas; tailings ponds or dumps; work, parking, storage, and waste discharge areas, structures, and facilities; and B. All mining disturbances regardless of discrepancies in the map and legal description, unless explicitly and clearly identified as EXCLUDED on maps, and legal descriptions included in the approved NOI; provided lands may be excluded only if: (1) they were disturbed by mining operations that ceased prior to July 1, 1977; (2) the lands would be included but have been reclaimed in accordance with an approved notice or reclamation plan; or (3) the lands were disturbed by a prior operation for which there is no surety, no legally responsible entity or person, and which lands are not necessarily or incidentally intended to be affected by the mining operations as described in the approved NOI. 3. The Reclamation Plan is intended to establish methods, plans, specifications, and other details required by the Act and regulations as they pertain to the lands affected by mining operations, and no provision of the Reclamation Plan shall be interpreted to diminish the requirements of the Act and regulations. The Operator shall be responsible for reclamation of all such Lands Affected regardless of errors or discrepancies in the maps or legal descriptions provided with the NOI or Reclamation Plan, which are primarily intended to assist in determining the location of the mining operations, to describe the areas of disturbance, and to assist estimating the amount of surety required. 4. The Operator prior to commencement of any mining operations and as a precondition to the rights under the Notice of Intention shall provide a surety in a form permitted by the Act and in an amount sufficient to assure that reclamation of the Lands Affected will be completed as required by the Act. The Surety shall remain in full force and effect according to its terms unless modified by the Division in writing. A copy of the agreement providing for the Surety for the reclamation obligations herein is included as ATTACHMENT A to this Contract. 5. If the Surety expressly provides for cancellation or termination for nonrenewal: A. The Operator shall within 60 days following the Division's receipt of notice that the Surety will be terminated or cancelled, provide a replacement Surety sufficient in a form and amount, as required by the Act, to replace the cancelled surety; or Page 2 of 6 Revised 8/9/2006 Form MR-RC

B. If the Operator fails to provide an acceptable replacement Surety within 60 days of notice of cancellation or termination, the Division may order the Operator to cease further mining activities, and without further notice proceed to draw upon letters of credit, to withdraw any amounts in certificates of deposit or cash and/or other forms of surety, and to otherwise take such action as may be necessary to secure the rights of the Division to perfect its claim on the existing surety for the purpose of fully satisfying all of the reclamation obligations incurred by the Operator prior to the date of termination, and the Division may thereafter require the Operator to begin immediate reclamation of the Lands Affected by the mining operations, and may, if necessary, proceed to take such further actions as may be required for the Division to forfeit the surety for the purpose of reclaiming the Lands Affected.

- 6. The Operator's liability under this Contract shall continue in full force and effect until the Division finds that the Operator has reclaimed the Lands Affected by mining operations in accordance with the Act, the regulations, and the Reclamation Plan, as they may be amended. If the mining operations are modified or for any other reason vary from those described in the approved Notice of Intention, the Operator shall immediately advise the Division, and the Notice of Intention shall be revised and the Surety amount shall be adjusted as necessary.
- 7. If reclamation of a substantial phase or segment of the Lands Affected by the mining operations is completed to the satisfaction of the Division, and the Division finds that such substantial phases or segments are severable from the remainder of the mining area, Operator may request the Division to find that Operator has reclaimed such area. If the Division makes such finding, Operator may make request to the Division for a reduction in the aggregate face amount of the Surety, and the Division may reduce the surety to an amount necessary to complete reclamation of the remaining mining operations as anticipated by the approved Notice of Intention in accordance with the requirements of the Act and regulations, as amended and the Reclamation Plan, as amended. If the Division makes such finding, Operator may make request to the Division for a reduction in the amount of the surety. The Division, or the Board if the surety is in the form of a board contract, may permit such a reduction if it determines that the reduced amount will be adequate to ensure complete reclamation of the lands affected by the mining in accordance with the requirements of the Reclamation Plan, the rules and the Act, as amended.
- 8. Operator may, at any time, submit a request to the Division to substitute surety. The Division may approve such substitution if the substitute surety meets the requirements of the Act and the rules.
- 9. Operator agrees to pay all legally determined public liability and property damage claims resulting from mining operations, to pay all permit fees, to



maintain suitable records, to file all required reports, to permit reasonable inspections, and to fulfill all sundry reporting requirements applicable to the mine as required by the Act and implementing rules.

- 10. Operator agrees to indemnify and hold harmless the State, Board and the Division from any claim, demand, liability, cost, charge, suit, or obligation of whatsoever nature arising from the failure of Operator or Operator's agents and employees, or contractors to comply with this Contract.
- 11. If Operator shall default in the performance of its obligations hereunder, Operator shall be liable for all damages resulting from the breach hereof including all costs, expenses, and reasonable attorney's fees incurred by the Division and/or the Board in the enforcement of this Contract.
- 12. Any breach of a material provision of this Contract by Operator may, at the discretion of the Division, in addition to other remedies available to it, result in an order by the Division requiring the Operator to cease mining operations, and may thereafter result in an Order, subject to an opportunity for notice and hearing before the Board, withdrawing and revoking the Notice of Intention, and requiring immediate reclamation by the Operator of the Lands Affected or forfeiture of the Surety.
- 13. In the event of forfeiture of the Surety, Operator shall be liable for any additional costs in excess of the surety amount that is required to comply with this Contract. Upon completion of the reclamation of all of the Lands Affected, any excess monies resulting from forfeiture of the Surety shall be returned to the rightful claimant.
- 14. The Operator shall notify the Division immediately of any changes in the Operator's registered agent, the Operator's address, form of business, name of business, significant changes in ownership, and other pertinent changes in the information required as part of the Notice of Intention. Notwithstanding this requirement, any changes to the Notice of Intention, and any errors, omissions, or failures to fully or accurately complete or update the information on the Notice of Intention, or the attached maps, shall not affect the validity of this Contract and the rights of the Division to enforce its terms.
- 15. If requested by the Division, the Operator shall execute addendums to this Contract to add or substitute parties, or to reflect changes in the Operator, Surety, and otherwise modify the Contract to reflect changes in the mining operations as requested by the Division. All modifications must be in writing and signed by the parties, and no verbal agreements, or modifications in any of the terms or conditions shall be enforceable.
- 16. This Contract shall be governed and construed in accordance with the laws of the State of Utah.



Each signatory below represents that he/she is authorized to execute this Contract on behalf of the named party, and that the Operator, if not a natural person, is an entity properly organized and in good standing under the laws of the United States and is registered with and authorized to do business in the State of Utah.

OPERATOR: 11 Office
Operator Name By Conert A JOHNSON. Authorized Officer (Typed or Printed)
Authorized Officer - Position
Officer's Signature Date Officer's Signature
STATE OF Utal
COUNTY OF <u>Salt hake</u>) ss:
On the Traday of October, 20 07, Robert A. Johnsopersonally appeared before me, who being by me duly sworn did say that he/she is an Owner (i.e. owner, officer, director, partner, agent or other (specify)) of the Operator and duly acknowledged that said instrument was signed on behalf of said Operator by authority of its bylaws, a resolution of its board of directors, or as may otherwise be required to execute the same with full authority and to be bound hereby. Notary Public Residing at Salt Lake UT NOTARY PUBLIC INSTITUTE OF THE INSTITUTE O
My Commission Expires: 55/02/11 WSTIN W ECHOLS 8975 W 9500 S Megne UT 84044 My Commission Expires May 2, 2011 STATE OF UTAH

By John R. Baza, Director Date STATE OF Utah) ss: COUNTY OF Salt Lake) ss: On the 7 day of December , 2007, John R. Baza personally appeared before me, who being duly sworn did say that he, the said John R. Baza is the Director of the Division of Oil, Gas and Mining, Department of Natural Resources, State of Utah, and he duly acknowledged to me that he executed the foregoing document by authority of law on behalf of the State of Utah. Notary Public Residing at: Salt Lake

My Commission Expires:

FACT SHEET

Commodity: Landscape Rock

Mine Name: South Farm*

Permit Number: M/035/034

Acreage: 15 (fifteen)

County: Salt Lake

Operator Name: R A Johnson Excavating, Inc.

Operator Address: PO BOX 301 MAGNA UT 84044-0301

Operator Phone: (801) 252-7509 or (801) 301-8897 (cell)

Operator Fax: (801) 252-7518

Operator Email: Johnsonrockpit@msn.com

Contact Name: Robert Johnson

Surety Type: cash

Bank: Zions Bank Escrow

Surety Amount: \$14,620

Account number:

Tax ID (required for cash only):

Escalation year: 2010

Surface Owner: FEE

Mineral Owner: FEE

UTU/ML number: n/a



JON M. HUNTSMAN, JR. Governor

GARY R. HERBERT
Lieutenant Governor

State of Utah DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil Gas and Mining

JOHN R. BAZA Division Director

November 7, 2007

Robert Johnson R. A. Johnson Excavating, Inc. P. O. Box 301 Magna, Utah 84044-0301

Subject: Request for Additional Bond Amount, R. A. Johnson Excavating, South Farms Mine,

M0350034, Salt Lake County, Utah

Dear Mr. Johnson:

It has been determined that a bond amount of \$19620.00 is required for Large Mine Permit M/035/034. The Division currently holds \$5,000.00 as reclamation surety for the previous South Farm small mine permit S/035/030, which will be applied as surety toward the large mine permit requirement.

The Division received a personal check in the amount of \$10,000.00 as reclamation surety. However, the check cannot be processed due to the fact that it was not sent in the form of certified funds. The Division requires all cash surety to be sent in the form of certified check.

Please have a certified check titled <u>Utah State Treasury for OGM</u> sent to the Division in the amount of \$14,620.00 (\$19620.00 - \$5,000.00). On the certified check, please indicate in the memo portion the following: reclamation surety for M/035/034.

The Division has received a signed reclamation contract and will submit the contract for final signature once the outstanding surety amount is received.

Your immediate attention to completing this required permitting action is required. Please direct communication and correspondence to Mr. Jed Pearson, (801) 538-5382, or jedpearson@utah.gov.

Sincerely

Susan M. White

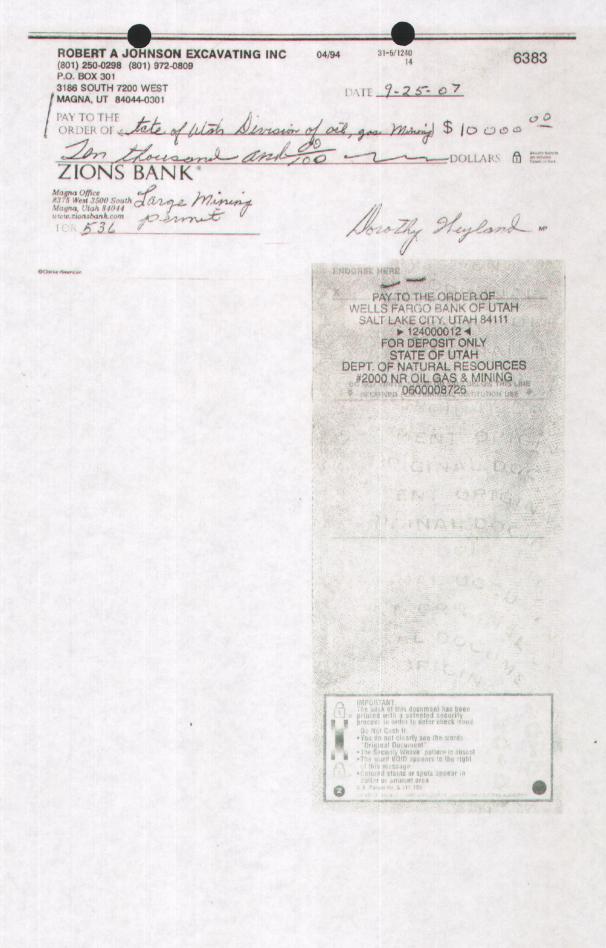
Mining Program Coordinator Minerals Regulatory Program

Juran M. Do hete

:SMW:JP:pb Attachment: Check number 6383 (original) CC: Jed Pearson, DOGM Susan White, DOGM Beth Ericksen, DOGM

P:\GROUPS\MINERALS\WP\M035-SaltLake\M0350034-SouthFarms\final\request for bond2.doc





mo350034

ROBERT A JOHNSON EXCAVATING INC (801) 250-0288 (801) 972-0809 P.O. BOX 301

3186 SOUTH 7200 WEST MAGNA, UT 84044-0301

04/94 31-5/1240

6383

DOLLARS A BENEFIT

DATE 9-25-07

PAY TO THE tate of what Devision of oil, gon Mining \$ 100000

ZIONS BANK®

Magna Office 83/8 West 3500 South Large Mining Magna, Utah 84044 www.zionsbank.com permit FOR 536

Dorothy Heyland "

ORIGINAL CHECK ROUTED TO ACCOUNTING RECEIVED

SEP 2 7 2007

DIV. OF OIL, GAS & MINING